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# 1975 PROFITABILITY OF SELECTED MAJOR OIL COMPANY OPERATIONS

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UNITED STATES SENATE

RUSSELL B. LONG, *Chairman*



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# PROFITABILITY OF SELECTED MAJOR OIL COMPANY OPERATIONS

(Data Supplied by 10 Major Oil Companies in Response to Committee Request)

## PREFACE

On December 30, 1974, the Committee on Finance issued an analysis of selected oil companies' profitability over the period 1964-73, entitled "Profitability of Selected Major Oil Company Operations." This analysis was based on information supplied by 10 selected oil companies, and included the companies responses to a Committee questionnaire as well as various summaries of the information in such responses.

On June 25, 1975, the Committee issued an updated analysis of the same selected oil companies' profitability over the period 1965-74, plus the first quarter of 1975, entitled "1974 Profitability of Selected Major Oil Company Operations." In order to update the 1974 analysis with the results of 1975 operations the Chairman made the following request of the 10 companies:

"The new survey will require the same information for 1975 and first quarter 1976 as is shown in the enclosed copy of '1974 Profitability of Selected Major Oil Company Operations.' If there are any corrections with respect to previous year's data shown in the 1974 analysis, they should be supplied, along with the original figures being corrected." A revised form for Table 6 was also enclosed.

Included in this Committee print are tables reflecting the information supplied by the companies with respect to their operations for 1975 and first quarter, 1976, including revisions of prior information by several companies to reflect the retroactive adoption by such companies of new Financial Accounting Standards Board accounting rules issued in 1975. Summaries of earlier years' operations, derived from tables included in previously issued analyses are reprinted here for purposes of comparison, subject to revisions in information previously supplied by the companies. Also included is a table of rates of return for all manufacturing, durable and nondurable manufacturing, derived from Quarterly Financial Reports issued by the Federal Trade Commission, for purposes of comparison with the returns of the 10 selected oil companies.

As indicated previously, several of the companies express concern that annualization of the first quarter rates of return for 1976 should not be construed as an estimate of the earnings rate for the entire year 1976. In addition, some companies caution that rates of return on shareholders' equity, where such equity is based on historical or book costs (as is the case in the tables herein), tend to be significantly overstated in periods of inflation—since historical costs understate the value of assets being utilized or consumed in such periods.



TABLE 1.—RATES OF RETURN ON SHAREHOLDERS' INVESTMENT FOR 10 MAJOR OIL COMPANIES, 1966-75

	[In millions of dollars]									
	1st quarter 1976	1975	1974	1973	1972	1971	1970	1969	1968	1967
<b>Total Rates of Return</b>										
Exxon <sup>1,2,3</sup>	17.2	15.3	20.6	18.8	12.8	13.5	12.6	12.5	13.3	12.6
Gulf <sup>4,5</sup>	13.2	11.2	18.6	15.2	8.6	10.9	11.2	13.1	14.4	14.2
Mobil <sup>4</sup>	12.5	12.3	17.2	15.6	11.5	11.5	10.9	10.9	10.8	10.3
Phillips <sup>1,7</sup>	16.0	14.9	15.8	11.6	9.7	9.7	9.9	10.5	11.3	13.7
Shell <sup>4</sup>	20.6	13.8	18.7	11.1	9.2	8.9	8.8	11.5	15.1	15.0
Standard of California <sup>4</sup>	11.1	12.0	15.8	15.3	10.8	10.7	10.0	10.5	11.0	10.6
Standard of Indiana <sup>1,2</sup>	19.3	15.7	21.9	13.1	10.5	11.0	10.9	11.0	10.3	9.8
Standard of Ohio <sup>1</sup>	5.8	4.0	6.0	7.0	4.5	6.1	7.8	6.6	17.1	18.2
Sun <sup>1</sup>	16.4	10.0	19.1	12.8	9.1	9.4	8.7	9.8	11.3	NA
Texaco <sup>4,9</sup>	10.3	9.7	19.5	17.7	12.7	13.7	13.2	12.9	15.3	15.0
Weighted average <sup>10</sup>	14.4	12.7	18.6	15.8	11.1	11.6	11.3	11.7	12.8	12.5
<b>U.S. Rates of Return</b>										
Exxon <sup>1,3</sup>	24.4	21.3	22.0	17.6	15.3	15.3	14.0	15.0	14.0	14.1
Gulf <sup>4,5</sup>	15.0	13.0	12.3	7.8	10.9	11.5	11.9	14.1	15.9	15.9
Mobil <sup>4</sup>	15.9	8.0	10.6	10.1	9.2	9.3	10.1	10.8	10.4	9.8
Phillips <sup>1,7</sup>	15.4	15.4	16.5	10.5	11.3	10.2	11.2	11.8	12.6	14.8
Shell <sup>4</sup>	21.2	14.9	20.3	12.4	10.1	9.7	9.2	11.4	14.9	14.4
Standard of California <sup>4</sup>	11.6	6.4	9.1	5.6	6.4	6.0	6.3	7.4	7.4	7.0
Standard of Indiana <sup>1,2</sup>	20.1	16.1	21.6	14.9	12.1	11.0	12.2	12.6	11.9	12.4
Standard of Ohio <sup>1</sup>	5.8	3.8	6.0	4.6	1.6	4.8	7.2	5.1	15.4	15.7
Sun <sup>1</sup>	23.2	15.4	20.5	12.9	12.5	12.6	11.1	12.4	15.7	NA
Texaco <sup>4,9</sup>	10.5	9.8	10.6	11.9	12.5	12.1	12.8	11.7	17.1	17.0
Weighted average <sup>9,10</sup>	17.0	12.9	15.2	11.6	10.8	10.8	11.0	11.6	13.1	12.9

# Foreign Rates of Return

Exxon <sup>1 2 3</sup>	13.4	12.1	19.5	12.3	12.5	11.6	10.8	12.8	11.8
Gulf <sup>4</sup>	8.8	8.5	27.1	5.5	10.0	10.0	11.4	12.1	11.4
Mobil <sup>4</sup>	8.6	18.1	25.9	14.1	14.2	10.9	11.4	11.4	10.8
Phillips <sup>1 7</sup>	17.2	14.0	14.5	5.2	8.2	5.2	5.2	4.9	7.9
Shell <sup>4</sup>	3.1	Loss	Loss	Loss	Loss	Loss	100+	100+	100+
Standard of California <sup>4</sup>	10.5	19.6	25.5	17.8	19.0	17.8	17.5	19.4	19.0
Standard of Indiana <sup>1 2</sup>	17.3	14.7	19.9	6.3	11.1	7.7	6.5	5.4	5.6
Standard of Ohio <sup>1 6</sup>	(6)	(6)	(6)	142.4	73.4	41.2	55.9	41.7	55.2
Sun <sup>1</sup>	.4	Loss	15.8	3.2	3.4	1.1	(8 10)	(8 10)	NA
Texaco <sup>4 9</sup>	10.1	9.7	28.9	12.9	15.6	13.9	14.8	12.5	12.2
Weighted average <sup>9 10</sup>	11.3	12.6	23.0	21.1	11.8	11.8	11.8	11.8	11.8

<sup>1</sup> Rates of return are for petroleum operations only.

<sup>2</sup> Foreign rate of return revised to accord with FASB 1975 revision of accounting standards for 1974.

<sup>3</sup> The total figures represent the return for the total corporation. The breakdowns into U.S. and foreign segments returns are based on some arbitrary assumptions concerning the allocation of the corporation's financing and of headquarters' net assets and administrative costs.

<sup>4</sup> Rates of return are for total corporate operations.

<sup>5</sup> Gulf restated U.S. and total rates of return 1966-74 to reflect retroactive effects of adopting FASB No. 9; Gulf 1972 return is before extraordinary write-off.

<sup>6</sup> Post-1973 foreign investment is negligible.

<sup>7</sup> The net asset data (stockholders' equity) used in computing the rates of return were obtained by allocating Phillips' total stockholders' equity among its operating segments on the basis of capital employed, as requested by the committee.

<sup>8</sup> Net loss.

<sup>9</sup> Texaco restated income and assets for 1964-74 to reflect revision in accounting for exploratory costs from capitalization to expensing of such costs, in accounting for foreign currency translation and for contingencies.

<sup>10</sup> Weighted average refers to total companies' return as a percentage of total companies' net assets.

General Notes.—Rates of return are calculated on average net assets. 1st quarter 1976 returns are based on assets as of Jan. 1, 1976, generally. The Companies caution that annualization of 1st quarter earnings rates are not to be considered as an estimate of 1976 earnings rates.

Data in this table were supplied by the 10 major oil companies in response to a questionnaire from the Senate Finance Committee asking for profit data from petroleum operations. 5 of the companies reported profits on petroleum operations as requested. 5 companies reported total corporate profit data.

Of the 5 companies reporting total corporate profit, Mobil, Gulf, Shell, and Standard of California all indicated that the nonpetroleum portion of their business was relatively insignificant and its inclusion should not therefore create any distortions in the data.

Source: Responses from the 10 major oil companies listed above to a questionnaire from the Senate Finance Committee. The question as stated by the Finance Committee was: "What was the overall rate of return, after taxes, which your company realized on stockholders' investment devoted to exploration, development, production, manufacturing, transportation and marketing of petroleum products in the United States (and abroad)?"



TABLE 2.—NET INCOME, NET ASSETS, AND RATES OF RETURN FOR 10 MAJOR OIL COMPANIES, 1976 (1st quarter), 1975, 1974, 1973, AND 1970

	1st quarter 1976 (annualized)			1975			1974			1973			1970		
	Net income	Rate of return (per- cent)		Net income	Net assets	Rate of return (per- cent)	Net income	Net assets	Rate of return (per- cent)	Net income	Net assets	Rate of return (per- cent)	Net income	Net assets	Rate of return (per- cent)
Exxon:															
Total .....	671	17.2		2,308	15,085	15.3	2,531	12,402	20.6	2,300	12,254	18.8	1,267	10,055	12.6
United States <sup>1</sup> .....	328	24.4		1,107	5,189	21.3	1,021	4,647	22.0	830	4,716	17.6	587	4,193	14.0
Foreign <sup>2</sup> .....	343	13.4		1,201	9,896	12.1	1,510	7,755	19.5	1,470	7,538	19.5	680	5,862	11.6
Gulf:															
Total <sup>3</sup> .....	198	12.3		700	6,273	11.2	1,065	5,709	18.6	800	5,249	15.2	550	4,919	11.2
United States <sup>4</sup> .....	135	15.0		478	3,663	13.0	401	3,262	12.3	226	2,893	7.8	359	3,006	11.9
Foreign <sup>4</sup> .....	63	8.8		222	2,610	8.5	664	2,447	27.1	574	2,356	24.4	191	1,913	10.0
Mobil:															
Total <sup>4</sup> .....	213	12.5		810	6,639	12.3	1,047	6,076	17.2	849	5,430	15.6	483	4,425	10.9
United States <sup>4</sup> .....	143	15.9		306	3,858	8.0	366	3,450	10.6	275	2,721	10.1	247	2,454	10.1
Foreign <sup>4</sup> .....	70	8.6		504	2,781	18.1	681	2,626	25.9	574	2,709	21.1	235	1,970	12.0
Phillips:															
Total .....	71	16.0		254	1,703	14.9	233	1,473	15.8	152	1,309	11.6	124	1,245	9.9
United States <sup>6</sup> .....	45	15.4		174	1,132	15.4	162	982	16.5	96	911	10.5	110	982	11.2
Foreign <sup>6</sup> .....	26	17.2		80	571	14.0	71	491	14.5	56	398	14.2	14	264	5.2
Shell:															
Total <sup>4</sup> .....	202	20.6		515	3,736	13.8	621	3,327	18.7	333	3,010	11.1	237	2,705	8.8
United States <sup>4</sup> .....	201	21.2		541	3,638	14.9	666	3,278	20.3	370	2,993	12.4	249	2,705	9.2
Foreign <sup>4</sup> .....	1	3.1		(26)	97	( <sup>7</sup> )	(45)	49	(100+)	(37)	17	(100+)	(12)	1	(100+)
Standard of Cali- fornia:															
Total .....	182	11.1		773	6,467	12.0	970	6,128	15.8	844	5,514	15.3	455	4,537	10.0
United States <sup>4</sup> .....	105	11.6		240	3,753	6.4	327	3,608	9.1	184	3,293	5.6	194	3,071	6.3
Foreign <sup>4</sup> .....	77	10.5		533	2,714	19.6	643	2,519	25.5	660	2,221	29.7	261	1,466	17.8
Standard of Indiana:															
Total .....	246	19.3		761	4,848	15.7	873	4,179	20.9	466	3,570	13.1	320	2,930	10.9
United States <sup>6</sup> .....	178	20.1		549	3,405	16.1	638	2,959	21.6	381	2,548	14.9	258	2,124	12.2
Foreign <sup>6</sup> .....	68	17.3		212	1,443	14.7	235	1,220	19.2	85	1,022	8.4	62	806	7.7
Standard of Ohio:															
Total .....	17	1.3		49	1,229	4.0	63	1,045	6.0	69	992	7.0	68	866	7.8
United States <sup>6</sup> .....	17	1.3		46	1,228	3.8	63	1,045	6.0	69	992	4.6	60	846	7.2
Foreign <sup>6</sup> .....				3						24	30	79.7	8	20	41.2



	91	16.4	216	2,163	10.0	375	1,968	19.1	225	1,754	12.8	138	1,581	8.7
Sun Co.: <sup>a</sup>														
Total.....	91	23.2	240	1,559	15.4	280	1,367	20.5	144	1,120	12.9	134	1,206	11.1
United States <sup>b</sup> .....	(t)	.4	(24)	604	(t)	95	601	15.8	81	1,634	12.8	4	375	1.1
Foreign.....														
Texasco: <sup>c</sup> 10														
Total.....	224	10.3	831	8,535	9.7	1,545	7,910	19.5	1,243	7,041	17.7	760	5,741	13.2
United States 10	124	10.5	449	4,584	9.8	432	4,057	10.6	434	3,651	11.9	436	3,416	12.8
Foreign 10	100	10.1	382	3,951	9.7	1,113	3,853	28.9	809	3,390	23.9	324	2,325	13.9
10-company total.....	2,115	14.4	7,217	56,677	12.7	9,323	50,217	18.6	7,281	46,123	15.8	4,402	39,004	11.3
United States.....	1,367	17.0	4,130	32,109	12.9	4,356	28,655	15.2	2,985	25,808	11.6	2,634	24,003	11.0
Foreign.....	748	11.3	3,087	24,567	12.6	4,967	21,561	23.0	4,296	20,315	21.1	1,767	15,002	11.8

<sup>1</sup> U.S. net income, assets, and rates of return are for petroleum and natural gas operations only for all years. In 1973 petroleum profits represented about 93 percent of total U.S. profits.

<sup>2</sup> Foreign net income, assets and rates of return are for petroleum and natural gas operations only for 1973, 1974, 1975, and 1976, and for all Exxon foreign operations for 1964-70. Petroleum profits represent about 92 percent of 1973 total foreign profits.

<sup>3</sup> Foreign income revised for 1974 to accord with 1975 FASB accounting revision.

4 All income and asset data are for total corporate operations.

<sup>5</sup> Gulf restated United States and total assets and rates of return 1966-74 to reflect retroactive effects of adopting FASB No. 9; Gulf 1972 return is before extraordinary write-off.

before extraordinary write-off.

\* All income and asset figures are for petroleum.

<sup>7</sup> Post-1973 foreign investment is negligible.

and assets include all foreign operations. All income and asset figures are for petroleum operation only.

<sup>10</sup> Texaco restated income and assets for 1964-74 to reflect revision in accounting for exploratory costs from capitalization to expensing of such costs in accounting for foreign currency translation and for contingencies.

\*Negative rate.

\*Negative rate.  
†Less than a million.

†Less than  
†Net Loss.

General notes: Net assets (shareholders' equity) are average of beginning and ending of year, calculated in some cases from information supplied by the companies. Allocation of net assets by United States and foreign is generally on the basis of the capital employed in the respective operations.

This may involve some arbitrary assumptions concerning allocation of the corporation's financing and headquarters net assets and administrative costs, as noted by Exxon and others. On the other hand, borrowings secured by assets in a specific location probably have the effect of removing such assets as security for general borrowings, so that allocation of net assets on the basis of location of total assets is not entirely unreasonable. Caution: Annualization of 1st quarter 1976 earnings rates, which are generally based on assets as of Jan. 1, 1976, are not to be considered as an estimate of 1976 earnings rates.

Note: Data in this table were supplied by the 10 major oil companies in response to a questionnaire from the Senate Finance Committee asking for profit data from petroleum operations. Five of the companies reported profits on petroleum operations as requested. Five companies reported total corporate profit data.

total corporate profit data. Of the 5 companies reporting total corporate profit, Mobil, Gulf, Shell, and Standard of California all indicated that the nonpetroleum portion of their business was relatively insignificant and its inclusion should not therefore create any distortions in the data.

However, due to these variations in reporting by the 10 companies, the 10-company total figures at the end of the table represent only a general order of magnitude of net income and assets and rates of return.

Source: Responses from the 10 major oil companies in question as stated in questionnaire from the Senate. "What was the overall rate of return, after taxes, which your company realized on stockholders' investment devoted to exploring, developing, production, manufacturing, transportation, and marketing of petroleum products in the United States (and abroad)?" Prepared by Susan Dovel, research assistant, Economics Division, Congressional Research Service, Library of Congress.

TABLE 3.—EFFECTIVE TAX RATES PAID BY 10 MAJOR OIL COMPANIES, 1966 TO 1975—INCLUDES ALL TAXES, OTHER THAN EXCISE TAXES, PAID TO FEDERAL, STATE, LOCAL, AND FOREIGN GOVERNMENTS

[In percent]

	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966
Total:										
Exxon <sup>1</sup> .....	81.0	81.8	78.1	79.8	76.9	77.8	76.3	75.5	76.5	76.4
Gulf.....	79.1	75.2	67.2	70.2	63.7	55.5	50.2	45.3	47.5	46.4
Mobil.....	76.4	73.9	62.4	63.2	63.9	57.1	55.4	54.1	49.6	48.5
Phillips <sup>1 2</sup> .....	65.2	60.8	44.5	51.9	47.5	46.8	42.5	42.2	41.9	42.3
Shell.....	57.8	43.6	43.6	45.6	43.7	46.0	39.1	36.8	36.1	38.0
Standard of California.....	68.2	61.9	59.2	65.1	63.6	60.5	55.8	52.9	48.4	32.5
Standard of Indiana <sup>1</sup> .....	69.3	54.3	46.6	43.0	40.9	41.1	39.7	42.0	40.9	39.8
Standard of Ohio <sup>1</sup> .....	47.9	47.4	50.1	56.6	35.6	29.2	58.8	47.2	43.8	44.1
Sun <sup>1</sup> .....	73.1	62.3	54.1	55.4	54.2	57.0	53.0	48.4	NA	NA
Texaco.....	92.0	85.9	75.0	76.8	72.1	68.5	68.6	64.1	63.2	NA
10-company average <sup>3</sup> .....	81.7	77.2	70.4	.....	.....	66.9	.....	.....	62.6	.....
United States:										
Gulf.....	46.7	40.5	41.0	28.5	30.7	31.6	26.9	19.4	29.6	33.3
Mobil.....	40.7	42.6	41.5	38.9	45.9	44.1	38.9	34.7	39.7	39.4
Phillips <sup>1 2</sup> .....	51.4	46.9	50.0	48.6	52.8	50.5	45.3	45.8	45.1	43.1
Shell.....	58.1	44.1	44.0	45.7	44.0	46.1	38.3	36.2	35.8	36.9
Standard of California.....	61.2	44.1	49.2	44.8	45.6	44.6	34.9	36.3	36.5	37.5
Standard of Indiana <sup>1</sup> .....	61.6	46.5	41.6	46.0	48.1	48.1	44.2	48.3	40.6	39.3
Standard of Ohio <sup>1</sup> .....	27.0	29.2	48.5	56.2	31.0	26.6	59.4	46.7	43.0	43.0
Sun <sup>1</sup> .....	63.4	48.4	50.5	47.7	47.5	48.3	42.0	37.7	NA	NA
Texaco.....	61.0	49.5	38.2	36.9	36.9	37.9	31.9	26.4	26.1	NA
Exxon <sup>1</sup> .....	50.1	44.5	42.3	40.8	41.3	43.7	40.2	40.5	39.3	38.5
10-company average <sup>3</sup> .....	55.1	44.9	43.0	.....	.....	42.6	.....	.....	35.7	.....





TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967

[In millions of dollars]

Company	1975					1974				1973				1970				1967			
	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes <sup>1</sup>	Employed capital <sup>2</sup>	Rate of profitability of employed capital <sup>4</sup>	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes <sup>1</sup>	Employed capital <sup>2</sup>	Rate of profitability of employed capital <sup>4</sup>	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes <sup>1</sup>	Employed capital <sup>2</sup>	Rate of profitability of employed capital <sup>4</sup>
Exxon total.....	2,308	44,964	5.1	12,121	19.0	16,142	16.0														
United States <sup>2</sup> .....	1,107	11,726	9.4	1,113	49.9	6,192	18.1														
Foreign <sup>3</sup> .....	1,201	33,238	3.6	11,008	9.8	9,950	14.6														
Gulf total <sup>5</sup> .....	700	15,838	4.4	2,656	20.9	8,687	9.6														
United States.....	478	7,230	6.6	418	53.3	4,671	10.7														
Foreign.....	222	8,608	2.6	2,238	9.0	4,016	8.1														
Mobil total <sup>5</sup> .....	810	20,842	3.9	2,625	23.6 <sup>14</sup>	8,421	10.8														
United States.....	306	6,400	4.8	210	59.3	4,568	7.4														
Foreign.....	504	14,442	3.5	2,415	17.3	3,853	14.9														



Phillips total <sup>6</sup> .....	254	4,529	<sup>7</sup> 4.9	421	34.8	2,266	11.8
United States .....	174	3,579	4.8	181	48.6	1,506	11.8
Foreign .....	80	950	5.5	240	18.0	760	11.8
Shell total <sup>5</sup> .....	515	8,224	6.3	706	42.2	<sup>10</sup> 4,536	12.2
United States .....	541	8,204	6.6	750	41.9	4,441	13.0
Foreign .....	(26)	20	.....	(44)	(39.1)	95	( <sup>25</sup> )
Standard of California total <sup>5</sup> .....	773	16,821	4.6	<sup>11</sup> 1,655	31.8	<sup>11</sup> 7,832	10.9
United States .....	240	6,472	3.7	378	38.8	4,666	6.0
Foreign .....	533	10,349	5.2	1,277	29.5	3,166	18.3
Standard of Indiana total <sup>6</sup> .....	761	9,951	7.6	1,714	30.7	6,829	12.0
United States .....	549	7,909	6.9	880	38.4	4,988	11.8
Foreign .....	212	2,042	10.4	834	20.3	1,841	12.8
Standard of Ohio total <sup>6</sup> .....	49	2,089	2.3	45	52.1	2,726	1.8
United States .....	46	2,004	2.3	17	73.0	2,726	1.7
Foreign .....	3	85	3.5	28	9.7	( <sup>23</sup> )	.....
Sun Co. total <sup>6</sup> .....	216	4,377	4.9	727	22.9	3,314	<sup>4</sup> 7.3
United States .....	240	3,627	6.6	416	36.6	2,673	9.6
Foreign .....	(24)	750	( <sup>26</sup> )	311	( <sup>26</sup> )	641	( <sup>26</sup> )

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes <sup>1</sup>	Employed capital <sup>8</sup>	Rate of profitability of employed capital <sup>4</sup>
<b>Texaco total <sup>5</sup></b>	831 <sup>17</sup>	24,331	3.4	13 9,536	8.0 <sup>14</sup>	10,774	8.4
United States	449	9,209	4.9	701	39.0	5,893	8.1
Foreign	382	15,122	2.5	8,835	4.1	4,881	8.7
<b>10-company total <sup>24</sup></b>	7,217	151,966	4.7	32,206	18.3	71,527	( <sup>12</sup> )
United States	4,130	66,360	6.2	5,064	44.9	42,324	( <sup>12</sup> )
Foreign	3,087	85,606	3.6	27,142	10.2	29,203	( <sup>12</sup> )
<b>1974</b>							
<b>Exxon total <sup>18</sup></b>	2,531	42,087	6.0	11,863	17.6	14,732	19.5
United States <sup>2</sup>	1,021	10,761	9.5	817	55.5	5,044	20.5
Foreign <sup>3</sup>	1,510	31,326	4.8	11,046	12.0	9,688	19.0
<b>Gulf total <sup>5</sup></b>	1,065	17,952	5.9	3,229	24.8	8,439	14.6
United States	401	7,280	5.5	273	59.5	4,871	9.8
Foreign	664	10,672	6.2	2,956	18.3	3,568	20.2



Mobil total <sup>5</sup> .....	1,047	19,136	5.5	2,961	26.1	<sup>14</sup> 7,484	14.7
United States .....	366	6,114	6.0	272	57.4	4,168	9.3
Foreign .....	681	13,022	5.2	2,689	20.2	3,316	21.6
Phillips total <sup>6</sup> .....	233	4,234	<sup>7</sup> 4.9	324	39.2	1,977	12.6
United States .....	162	3,126	5.2	142	53.1	1,317	12.8
Foreign .....	71	1,108	4.0	182	19.7	660	12.3
Shell total <sup>5</sup> .....	621	7,708	8.0	480	56.4	<sup>10</sup> 4,096	16.0
United States .....	666	7,696	8.6	525	55.9	4,055	17.3
Foreign .....	(45)	12	.....	(45)	50.2	41	(100+)
Standard of California total <sup>5 11</sup> .....	970	17,191	5.6	1,573	38.1	7,067	14.0
United States .....	327	5,478	6.0	258	55.9	4,254	8.0
Foreign .....	643	11,713	5.0	1,315	32.8	2,813	23.3
Standard of Indiana total <sup>6 20</sup> .....	873	9,063	9.7	1,038	45.7	6,163	14.9
United States .....	638	7,097	9.0	554	53.5	4,498	14.8
Foreign .....	235	1,966	12.4	484	33.1	1,665	15.4
Standard of Ohio total <sup>6</sup> .....	72	1,840	3.9	65	52.6	<sup>14</sup> 1,715	4.3
United States .....	63	1,754	3.6	26	70.8	1,715	4.3
Foreign .....	9	86	10.7	39	18.8	<sup>(23)</sup>	<sup>(23)</sup>

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes <sup>1</sup>	Employed capital <sup>8</sup>	Rate of profitability of employed capital <sup>4</sup>
<b>1974</b>							
Sunoco total <sup>6</sup>	375	3,771	9.9	620	37.7	15 3,089	12.9
United States	280	3,192	8.8	263	51.6	2,440	12.2
Foreign	95	579	16.3	357	20.9	649	15.6
Texaco total <sup>5</sup>	1,545	23,056	6.7	9,395	14.1	14 9,952	15.5
United States	432	7,612	5.7	423	50.5	5,214	8.3
Foreign	1,113	15,444	7.2	8,972	11.0	4,738	23.5
10-company total <sup>24</sup>	9,332	146,038	6.4	31,548	22.8	64,714	( <sup>12</sup> )
United States	4,356	60,110	7.2	3,553	55.1	37,576	( <sup>12</sup> )
Foreign	4,976	85,928	5.8	27,995	15.1	27,138	( <sup>12</sup> )
<b>1973</b>							
Exxon total	2,300	26,750	8.6	8,180	19 21.9	13,779	18.4
United States <sup>2</sup>	830	7,265	11.4	608	57.7	4,877	17.2
Foreign <sup>3</sup>	1,470	19,485	7.5	7,572	16.3	8,902	19.1



Gulf total <sup>5</sup> .....	800	9,836	8.1	1,641	32.8	7,670	11.7
United States .....	226	4,619	4.9	157	59.0	3,885	6.3
Foreign .....	574	5,217	11.0	1,484	27.9	3,785	17.5
Mobil total <sup>5</sup> .....	849	11,526	7.4	1,409	37.6	10,690	13.8
United States .....	275	3,930	7.0	195	58.5	4,894	8.8
Foreign .....	574	7,596	7.6	1,214	32.1	5,797	19.3
Phillips total <sup>6</sup> .....	152	2,270	<sup>7</sup> 5.8	122	<sup>10</sup> 55.1	1,860	9.4
United States .....	96	1,861	5.1	97	50.0	1,295	8.6
Foreign .....	56	409	9.0	24	70.0	565	11.2
Shell total <sup>5</sup> .....	333	4,932	6.7	257	56.4	<sup>10</sup> 3,951	9.2
United States .....	370	4,932	7.5	<sup>9</sup> 291	56.0	3,946	10.2
Foreign .....	(37)	.....	.....	(34)	52.4	4	(100+)
Standard of California, total <sup>5 11</sup> .....	844	7,762	10.9	1,226	40.8	6,870	13.5
United States .....	184	3,538	5.2	178	50.8	4,126	5.2
Foreign .....	660	4,224	15.6	1,048	38.6	2,744	26.7
Standard of Indiana total <sup>6</sup> .....	466	5,697	8.2	408	53.4	4,967	10.1
United States .....	381	4,663	8.2	272	58.4	3,401	11.8
Foreign .....	86	1,033	8.3	136	38.7	1,566	6.2

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes <sup>1</sup>	Employed capital <sup>8</sup>	Rate of profitability of employed capital <sup>4</sup>
Standard of Ohio total <sup>6</sup>	52	1,225	4.3	52	49.9	<sup>14</sup> 1,419	5.1
United States	45	1,181	3.8	42	51.5	1,419	5.1
Foreign	7	44	16.9	10	41.2	( <sup>23</sup> )	( <sup>23</sup> )
Sunoco total <sup>6</sup>	225	2,201	10.2	265	45.9	<sup>15</sup> 2,735	9.1
United States	144	1,860	7.7	146	49.5	2,023	8.1
Foreign <sup>16</sup>	81	341	23.9	119	40.8	712	11.8
Texaco total <sup>5</sup>	1,243	<sup>17</sup> 1,248	11.1	<sup>13</sup> 3,736	25.0	<sup>14</sup> 8,771	14.2
United States	434	4,304	10.1	269	61.8	4,455	9.7
Foreign	809	6,944	11.6	3,467	18.9	4,316	18.7
10-company total <sup>2 4</sup>	7,264	83,403	8.7	17,286	29.6	62,712	( <sup>12</sup> )
United States	2,985	38,153	7.8	2,255	57.0	34,322	( <sup>12</sup> )
Foreign	4,280	45,249	9.5	15,030	22.2	28,390	( <sup>12</sup> )

Exxon total.....	1,267	17,842	7.1	4,447	<sup>10</sup> 22.2	12,765	11.1
United States <sup>2</sup> .....	587	5,491	10.7	460	56.1	4,754	12.5
Foreign <sup>3</sup> .....	680	12,351	5.5	3,987	14.6	8,011	10.3
Gulf total <sup>5</sup> .....	550	6,597	8.3	687	44.5	7,397	8.7
United States.....	359	3,881	9.3	166	68.4	3,991	9.8
Foreign.....	191	2,716	7.0	521	26.8	3,406	7.4
Mobil total <sup>5</sup> .....	483	7,369	6.6	639	43.0	7,921	9.8
United States.....	247	3,024	8.2	195	55.9	4,105	9.0
Foreign.....	236	4,345	5.4	444	34.5	3,816	10.8
Phillips total <sup>6</sup> .....	124	1,772	<sup>7</sup> 6.3	109	<sup>10</sup> 53.2	1,791	8.1
United States.....	110	1,618	6.6	112	49.5	1,412	9.0
Foreign.....	14	154	3.1	(3)	127.3	379	4.8
Shell total <sup>5</sup> .....	237	3,621	6.6	202	54.0 <sup>10</sup>	3,379	7.7
United States.....	249	3,621	6.9	<sup>9</sup> 213	53.9	3,378	8.0
Foreign.....	(12)	( <sup>26</sup> )	.....	(12)	51.5	1	(100+)
Standard of California total <sup>5 11</sup> .....	455	4,386	10.4	696	39.5	5,392	9.2
United States.....	194	2,679	7.2	156	55.4	3,570	5.8
Foreign.....	261	1,707	15.3	540	32.6	1,822	16.2

See footnotes at end of table.



TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes <sup>1</sup>	Employed capital <sup>3</sup>	Rate of profitability of employed capital <sup>4</sup>
Standard of Indiana total <sup>6</sup>	320	4,216	7.6	243	58.9	4,056	8.4
United States	258	3,666	7.0	240	51.9	3,049	9.0
Foreign	62	550	11.2	3	95.2	1,007	6.6
Standard of Ohio total <sup>6</sup>	63	1,071	5.9	26	70.8 <sup>14</sup>	1,188	5.7
United States	60	1,046	5.8	22	73.4	1,177	5.5
Foreign	3	25	10.7	4	39.7	11	29.6
Sunoco total <sup>6</sup>	138	1,686	8.2	183	43.0 <sup>15</sup>	2,299	6.7
United States	134	1,503	8.9	125	51.7	1,721	8.4
Foreign <sup>1 6</sup>	4	183	2.4	58	7.0	578	1.6
Texaco total <sup>5</sup>	760 <sup>17</sup>	6,239	12.2 <sup>13</sup>	1,654	31.5 <sup>14</sup>	6,850	11.1
United States	436	3,092	14.1	266	62.1	3,961	11.0
Foreign	324	3,147	10.3	1,388	18.9	2,889	11.2
10-company total <sup>2 4</sup>	4,397	54,774	8.0	8,882	33.1	53,038	( <sup>12</sup> )
United States	2,634	29,621	8.9	1,955	57.4	31,118	( <sup>12</sup> )
Foreign	1,763	25,153	7.0	6,926	20.3	21,920	( <sup>12</sup> )

Exxon total.....	1,119	14,165	7.9	3,642	<sup>19</sup> 23.5	10,285	11.7
United States <sup>2</sup> .....	504	4,378	11.5	326	60.7	3,861	13.1
Foreign <sup>3</sup> .....	615	9,787	6.3	3,316	15.6	6,424	10.9
Gulf total <sup>5</sup> .....	578	5,110	11.3	524	52.5	5,452	11.4
United States.....	412	NA	NA	173	70.4	3,306	NA
Foreign.....	166	NA	NA	351	32.1	2,146	NA
Mobil total <sup>5</sup> .....	385	5,899	6.5	379	50.4	6,224	9.4
United States.....	210	2,518	8.3	138	60.3	3,346	8.8
Foreign.....	175	3,381	5.2	240	42.2	2,878	10.4
Phillips total <sup>6</sup> .....	155	1,646	<sup>7</sup> 8.9	<sup>8</sup> 112	<sup>19</sup> 58.1	1,668	10.4
United States.....	141	1,534	8.9	116	54.9	1,404	11.1
Foreign.....	14	112	9.1	(3)	127.3	265	6.4
Shell total <sup>5</sup> .....	285	3,088	9.2	161	63.9 <sup>10</sup>	2,451	12.3
United States.....	274	3,059	9.0	153	64.2	2,450	11.8
Foreign.....	11	29	36.7	8	56.9	1	100+
Standard of California total <sup>5 11</sup> .....	409	3,467	11.8	383	51.6	4,530	99
United States.....	191	2,391	8.0	110	63.5	3,267	6.5
Foreign.....	218	1,076	20.3	273	44.4	1,263	18.5

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes <sup>1</sup>	Employed capital <sup>8</sup>	Rate of profitability of employed capital <sup>4</sup>
Standard of Indiana total <sup>6</sup>	264	3,376	7.8	183	59.1	3,296	8.4
United States	261	3,083	8.5	178	59.4	2,615	10.4
Foreign	3	293	1.2	5	42.3	682	0.7
Standard of Ohio total <sup>6</sup>	63	533	11.8	49	56.2	<sup>14</sup> 466	14.5
United States	57	492	11.6	43	57.0	443	13.6
Foreign	6	41	14.6	6	49.2	23	31.7
Sunoco Oil <sup>21</sup>							
Texaco total <sup>5</sup>	709	<sup>17</sup> 5,164	13.7	<sup>13</sup> 1,220	36.8	<sup>14</sup> 5,617	12.6
United States	475	2,651	17.9	167	73.9	3,287	14.4
Foreign	234	2,513	9.3	1,053	18.2	2,330	10.1
10-company total <sup>24</sup>	3,967	<sup>22</sup> 37,338	<sup>22</sup> 9.1	6,647	37.4	39,989	( <sup>12</sup> )
United States	2,525	20,106	10.5	1,404	64.3	23,979	( <sup>12</sup> )
Foreign	1,442	17,232	7.4	5,243	21.6	16,010	( <sup>12</sup> )



<sup>1</sup> The rate of profitability of taxes is the ratio of net income to the sum of net income and taxes (other than excises) paid to Federal, State, local and foreign governments.

<sup>2</sup> U.S. net income, sales, taxes, and capital employed data are for petroleum and natural gas operations only.

<sup>3</sup> Foreign net income, sales, taxes and capital employed data are for petroleum and natural gas operations only for 1973, 1974, and 1975 and for all Exxon foreign operations for 1970 and 1967.

<sup>4</sup> Based on adjusted net income (i.e., includes after tax interest effect of long-term debt.)

<sup>5</sup> Net income, sales, taxes, and employed capital figures are total corporate figures.

<sup>6</sup> Net income, sales, taxes and employed capital figures are for petroleum operations only.

<sup>7</sup> Net income used for this calculation excludes the company's portion of the earnings of companies accounted for by the equity method since the sales of such companies are not included in the company's financial statements.

<sup>8</sup> Generally comprises stockholder's equity plus long-term debt.

<sup>9</sup> U.S. taxes exclude that portion of U.S. taxes incurred in foreign operations for the years 1970 and 1973. These amounts are shown as foreign taxes.

<sup>10</sup> Employed capital shown is beginning of the year balance of shareholders' investment and long-term debt.

<sup>11</sup> Data, other than income, is for company and majority owned subsidiaries only.

<sup>12</sup> Rate of profitability of employed capital for all 10 companies could not be computed because the adjusted net income (see note 4) of the individual companies was not supplied.

<sup>13</sup> Includes interests in nonsubsidiary companies.

<sup>14</sup> Average borrowed and invested capital.

<sup>15</sup> Defined as total assets less current liabilities.

<sup>16</sup> Foreign data includes Puerto Rico prior to 1974.

<sup>17</sup> Sales revenue excludes gross income from services, equity in net income of nonsubsidiary companies, dividends, interest and other net income, whereas net income is applicable to all sources.

<sup>18</sup> Revised 1974 income, sales and tax figures to accord with FASB 1975 new accounting standards.

<sup>19</sup> The rates of profitability of taxes for years prior to 1974 for Exxon and Phillips were calculated using the income and tax data supplied by the two companies.

<sup>20</sup> Revised 1974 income taxes and employed capital figures to accord with FASB 1975 new accounting standards.

<sup>21</sup> No data were provided by Sun Oil for years prior to 1968.

<sup>22</sup> Since U.S. and foreign breakdowns of Gulf's sales data are not available prior to 1968, Gulf has not been included in the 10-company total sales column for 1967, in order that the total, U.S. and foreign rates of profitability of sales will be comparable.

<sup>23</sup> Subsequent to the sale of all Canadian assets in 1972, the capital employed consists of an insignificant amount related to Standard of Ohio's five-twelfths of 1 percent interest in the Iranian oil consortium. A calculated return on capital employed for 1973 and 1974 would be meaningless as to foreign operations.

<sup>24</sup> Rates of profitability of sales and of taxes are weighted averages based on 10-company totals. Rates of profitability of employed capital is a mathematical average of individual company's rates.

<sup>25</sup> Negative rate.

<sup>26</sup> Net loss.

NA—Not available.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes, other than excise taxes, and of total investment, including borrowed capital. 4 of the companies reported this information for petroleum operations only, while 6 reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

In addition, in determining the rates of profitability of employed capital, the companies based their rates on adjusted net income to include the interest on borrowed capital. Since the adjusted net income figures used for these calculations are not given, it was not possible to determine the rates of profitability of employed capital for the 10-company total.

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated "What is the rate of profitability to sales? To taxes, other than excise taxes? To total investment, including borrowed capital?"

TABLE 5.—TAXES OTHER THAN EXCISE TAXES PAID IN 1974-75

[In millions of dollars]

Company	Federal income taxes	Employment taxes (Federal and State)	Production and severance taxes	State income and franchise taxes	Ad valorem taxes	Foreign taxes	All other taxes	Total
Exxon: <sup>8</sup>								
Total.....	801	126	166	56	163	<sup>1</sup> 6,308	4,501	12,121
United States.....	758	29	135	56	100	.....	35	1,113
Foreign.....	43	97	31	.....	63	<sup>1</sup> 6,308	4,466	11,008
Gulf:								
Total.....	120	41	210	7	66	<sup>2</sup> 1,892	320	2,656
United States.....	120	22	69	7	48	.....	<sup>10</sup> 152	418
Foreign.....	.....	19	141	.....	18	<sup>2</sup> 1,892	168	2,238
Mobil:								
Total.....	13	66	51	28	92	1,053	1,322	2,625
United States.....	<sup>12</sup> 13	31	48	28	78	.....	13	211
Foreign.....	.....	35	3	.....	14	1,053	1,309	2,414

# Standard of Indiana: <sup>8</sup>

Total.....	397	37	114	16	79	761	310	1,714
United States.....	440	27	89	16	72	.....	<sup>10</sup> 236	880
Foreign.....	(43)	10	25	.....	<sup>7</sup>	<sup>3</sup> 761	74	834

# Standard of Ohio: <sup>8</sup>

Total.....	(15)	9	21	4	13	12	1	45
United States.....	(15)	9	5	4	13	.....	1	17
Foreign.....	.....	.....	16	.....	.....	12	.....	28

# Sun Oil: <sup>8</sup>

Total.....	129	15	156	6	42	<sup>4</sup> 248	131	727
United States <sup>9</sup> .....	188	15	48	6	37	.....	122	416
Foreign.....	(59)	.....	108	.....	<sup>5</sup>	<sup>4</sup> 248	9	311

# Phillips: <sup>8</sup>

Total.....	64	9	28	9	24	282	5	421
United States.....	107	8	28	9	24	.....	5	181
Foreign.....	(43)	1	.....	.....	.....	282	.....	240

# Shell:

Total.....	<sup>11</sup> 352	28	75	33	78	1	139	706
United States.....	397	28	75	33	78	.....	<sup>10</sup> 139	750
Foreign.....	(45)	.....	.....	.....	.....	1	.....	(44)

See footnote at end of table.



TABLE 5.—TAXES OTHER THAN EXCISE TAXES PAID IN 1974-75—Continued

[In millions of dollars]

Company	Federal income taxes and State)	Employment taxes (Federal and State)	Production and severance taxes	State income and franchise taxes	Ad valorem taxes	Foreign taxes	All other taxes	Total
Standard of California:								
Total.....	52	30	48	20	107	67 534	864	1,655
United States.....	52	26	48	20	94	.....	138	378
Foreign.....	.....	4	.....	.....	13	67 534	726	1,277
Texaco: <sup>5</sup>								
Total.....	53	79	226	25	88	7,130	1,934	9,535
United States.....	53	33	162	25	70	.....	358	701
Foreign.....	.....	46	64	.....	18	7,130	1,576	8,834
10-company total:								
Total.....	1,966	440	1,095	204	752	18,221	9,527	32,205
United States.....	2,113	228	707	204	614	.....	1,199	5,065
Foreign.....	(147)	212	388	.....	138	15,521	8,328	27,140

<sup>1</sup> Estimated credit utilizable in 1975 is \$1,400.<sup>2</sup> Estimated credit utilizable in 1975 is \$837.<sup>3</sup> Estimated credit utilizable in 1975 is \$412.<sup>4</sup> Estimated credit utilizable in 1975 is \$109.<sup>5</sup> This schedule includes interests in nonsubsidiary companies.<sup>6</sup> Excludes company's share of taxes paid by affiliates such as

Aramco and Caltex.

<sup>7</sup> Estimated credit utilizable in 1975 is \$125.<sup>8</sup> Petroleum operations only.<sup>9</sup> Includes Puerto Rico.<sup>10</sup> Mainly attributable to \$2 per barrel import fee.<sup>11</sup> Tax expense per annual report including deferred taxes.<sup>12</sup> Reflects substantial negative deferred tax due to writeoff of eastern gulf offshore tracts.

TABLE 6.—SELECTED FINANCIAL DATA, DIVIDED INTO DOMESTIC AND FOREIGN OPERATIONS OF 10 MAJOR OIL COMPANIES FOR 1975 AND FOR 10-YR PERIOD, 1965-74

[In millions of dollars]

	Capital expenditures and exploration expense (1)	Net income (2)	Exploration expense (3)	Adjusted earnings (2 + 3) (4)	Capital recovery (5)	Dividends paid <sup>1</sup> (6)	Adjusted cash flow (4 + 5 - 6) <sup>2</sup> (7)	Capital expenditures and exploration expense as percent of—	
								Adjusted earnings (1 ÷ 4) (8)	Adjusted cash flow (1 ÷ 7) (9)
1975									
Exxon, total <sup>2</sup> .....	3,582	2,308	356	2,664	1,418	1,031	3,051	134.5	117.4
United States .....	1,932	1,107	174	1,281	664	494	1,451	150.8	133.1
Foreign .....	1,650	1,201	182	1,383	754	537	1,600	119.3	103.1
Gulf, total .....	1,448	700	317	1,017	628	331	1,314	142.4	110.2
United States .....	957	478	163	641	404	226	819	149.3	116.8
Foreign .....	491	222	154	376	224	105	495	130.6	99.2
Mobil, total .....	1,449	810	243	1,053	768	346	1,475	137.6	98.2
United States .....	700	306	118	424	541	131	834	165.1	83.9
Foreign .....	749	504	125	629	227	215	641	119.1	116.9

See footnotes at end of table.

TABLE 6.—SELECTED FINANCIAL DATA, DIVIDED INTO DOMESTIC AND FOREIGN OPERATIONS OF 10 MAJOR OIL COMPANIES FOR 1975 AND FOR 10-YR PERIOD, 1965-74—Continued

[In millions of dollars]

	Capital expenditures and exploration expense	Net income	Exploration expense	Adjusted earnings (2 + 3)	Capital recovery	Dividends paid <sup>1</sup>	Adjusted cash flow (4 + 5 - 6) <sup>2</sup>	Adjusted earnings (1 ÷ 4)	Adjusted cash flow (1 ÷ 7)	Capital expenditures and exploration expense as percent of—
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1975—Con.										
Phillips, total <sup>2</sup>	720	254	38	292	292	90	494	246.6	145.8	
United States	371	174	18	192	169	62	299	193.2	124.2	
Foreign	349	80	20	100	123	28	195	349.0	178.9	
Shell, total	1,227	515	152	667	597	221	1,043	184.0	118.0	
United States	1,114	541	122	663	546	221	988	168.0	113.0	
Foreign	113	(26)	30	4	51	.....	55	.....	205.0	
Standard of California, total <sup>4</sup>	1,728	773	227	1,000	585	339	1,246	172.8	138.7	
United States	1,230	240	123	363	478	105	736	338.4	167.1	
Foreign	498	533	104	637	107	234	510	78.2	97.8	
Standard of Indiana, total <sup>2</sup>	1,580	761	350	1,111	551	284	1,378	142.2	114.7	
United States	924	549	177	726	398	205	919	127.3	100.5	
Foreign	656	212	173	385	153	79	459	170.4	142.9	



Standard of Ohio, total <sup>2</sup> .....	1,599	49	5	54	65	20	99	2,961.1	1,615.2
United States.....	1,599	46	5	51	65	19	97	3,135.3	1,648.5
Foreign.....		3		3		1	2		
Sun Co., total <sup>2</sup> .....	613	216	143	359	280	76	563	170.8	109.0
United States <sup>6</sup> .....	394	240	68	308	192	76	424	127.9	93.0
Foreign.....	219	(24)	75	51	88		139	429.4	158.1
Texaco, total.....	1,674	831	262	1,092	653	543	1,202	153.3	139.3
United States.....	978	449	132	581	466	294	752	168.3	130.1
Foreign.....	696	382	130	511	187	249	450	136.2	154.7
10-company, total.....	15,620	7,217	2,093	9,309	5,837	3,281	11,865	167.8	131.6
United States.....	10,199	4,130	1,100	5,230	3,923	1,833	7,319	195.0	139.3
Foreign.....	5,421	3,087	993	4,079	1,914	1,448	4,546	132.9	119.2
1965-74									
Exxon, total <sup>2</sup> .....	19,332	14,775	2,330	17,105	8,552	7,953	17,704	113.0	109.2
United States.....	7,738	6,284	1,262	7,546	3,558	3,426	7,678	102.5	100.8
Foreign.....	11,594	8,491	1,068	9,559	4,994	4,527	10,026	121.3	115.6
Gulf, total.....	9,766	6,160	1,305	7,465	4,700	2,811	9,354	130.8	104.4
United States.....	5,442	3,528	571	4,099	2,957	1,690	5,366	132.8	101.4
Foreign.....	4,324	2,632	734	3,366	1,743	1,121	3,988	128.5	108.4

See footnotes at end of table.

TABLE 6.—SELECTED FINANCIAL DATA, DIVIDED INTO DOMESTIC AND FOREIGN OPERATIONS OF 10  
MAJOR OIL COMPANIES FOR 1975 AND FOR 10-YR PERIOD, 1965-74—Continued

[In millions of dollars]

	Capital expenditures and exploration expense (1)	Net income (2)	Exploration expense (3)	Adjusted earnings (2+3) (4)	Capital recovery (5)	Dividends paid <sup>1</sup> (6)	Adjusted cash flow (4+5-6) <sup>2</sup> (7)	Capital expenditures and exploration expense as percent of—	
								Adjusted earnings (1÷4) (8)	Adjusted cash flow (1÷7) (9)
1965-74—Con.									
Mobil, total.....	9,501	5,443	1,257	6,700	3,880	2,328	8,252	141.8	115.1
United States.....	5,458	2,392	620	3,012	2,330	1,023	4,319	181.2	126.4
Foreign.....	4,043	3,051	637	3,688	1,550	1,305	3,933	109.6	102.8
Phillips, total <sup>2</sup> .....	3,147	1,421	<sup>3</sup> 149	1,570	1,657	802	2,426	200.4	129.7
United States.....	2,032	1,194	91	1,285	1,239	690	1,834	158.1	110.8
Foreign.....	1,115	227	58	285	418	112	592	391.2	188.5
Shell, total.....	7,019	3,073	936	4,009	3,549	1,473	6,085	175.1	115.3
United States.....	6,747	3,186	822	4,008	3,413	1,473	5,948	168.3	113.4
Foreign.....	272	(113)	114	1	136	.....	137	.....	198.5
Standard of California, total <sup>4</sup> .....	8,021	5,380	1,304	6,684	3,348	2,323	7,709	120.0	104.1
United States.....	5,621	2,101	832	2,933	2,728	948	4,713	191.6	119.3
Foreign.....	2,400	3,279	472	3,751	620	1,375	2,996	64.0	80.1

Standard of Indiana, total <sup>2</sup> .....	7,784	3,658	1,701	5,359	3,269	1,502	7,126	145.3	109.2
United States .....	5,353	3,050	1,034	4,084	2,702	1,268	5,518	131.1	97.0
Foreign .....	2,431	608	667	1,275	567	234	1,608	190.7	151.2
Standard of Ohio, total <sup>2</sup> .....	1,761	517	40	557	415	244	728	316.2	241.9
United States .....	1,740	460	32	492	397	217	672	353.7	258.9
Foreign .....	21	57	8	65	18	27	56	32.3	37.5
Sun Co., total <sup>2 5</sup> .....	2,780	1,358	395	1,753	1,046	472	2,327	158.6	119.5
United States <sup>7</sup> .....	2,044	1,165	283	1,448	866	409	1,905	141.2	107.3
Foreign .....	736	193	112	305	180	63	422	241.3	174.5
Texaco, total <sup>8</sup> .....	5,654	4,441	718	5,159	1,866	1,928	5,097	109.6	110.9
United States .....	3,673	1,689	412	2,101	1,308	733	2,675	174.8	137.3
Foreign .....	1,981	2,752	306	3,058	558	1,195	2,422	64.8	81.8
10-company, total .....	74,765	46,226	10,135	56,361	32,282	21,836	66,808	132.7	111.9
United States .....	45,848	25,049	5,959	31,008	21,498	11,877	40,628	147.9	112.8
Foreign .....	28,917	21,177	4,176	25,353	10,784	9,959	26,180	114.1	110.5

<sup>1</sup> Dividends are allocated between U.S. and foreign income on substantially the same basis as income is allocated between U.S. and foreign operations.

<sup>2</sup> Data for petroleum operations only.

<sup>3</sup> Net of tax benefit.

<sup>4</sup> Data other than net income is for company and majority owned subsidiaries only.

<sup>5</sup> 7 yr total, 1968-74.

<sup>6</sup> Includes Puerto Rico.

<sup>7</sup> Includes Puerto Rico after 1973.

<sup>8</sup> 4 yr total, 1971-74.

<sup>9</sup> Adjusted cash flow represents the amount available for capital

expenditures and the additional working capital associated with such capital expansion.

Note: Cash flow must cover not only capital expenditures, but also the working capital needs.

Source: Responses from the 10 oil companies listed above to a questionnaire from the Senate Finance Committee. The question was stated "What is the total of exploration expense and capital investment in petroleum assets, in dollars, year by year? What is the ratio between your total cash income (generated by earnings, depreciation, depletion allowance, etc.) and your total investment in petroleum assets, including exploration expense?"



TABLE 7.—RATES OF PROFITABILITY OF SALES FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970, AND 1967

Company	Rate of profitability of sales			Sales			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
<b>Exxon:<sup>1 2</sup></b>									
1975.....	5.1	9.4	3.6	44,964	11,726	33,238	2,308	1,107	1,201
1974 <sup>11</sup> .....	6.0	9.5	4.8	42,087	10,761	31,326	2,531	1,021	1,510
1973.....	8.6	11.4	7.5	26,750	7,265	19,485	2,300	830	1,470
1970.....	7.1	10.7	5.5	17,842	5,491	12,351	1,267	587	680
1967.....	7.9	11.5	6.3	14,165	4,378	9,787	1,119	504	615
<b>Gulf:<sup>3</sup></b>									
1975.....	4.4	6.6	2.3	15,838	7,230	8,608	700	478	222
1974.....	5.9	5.5	6.2	17,952	7,280	10,672	1,065	401	664
1973.....	8.1	4.9	11.0	9,836	4,619	5,217	800	226	574
1970.....	8.3	9.3	7.0	6,597	3,881	2,716	550	359	191
1967.....	11.3	NA	NA	5,110	NA	NA	578	412	166
<b>Mobil:<sup>3</sup></b>									
1975.....	3.9	4.8	3.5	20,842	6,400	14,442	810	306	504
1974.....	5.5	6.0	5.2	19,136	6,114	13,022	1,047	366	681
1973.....	7.4	7.0	7.6	11,526	3,930	7,596	849	275	574
1970.....	6.6	8.2	5.4	7,369	3,024	4,345	483	247	236
1967.....	6.5	8.3	5.2	5,899	2,518	3,381	385	210	175
<b>Phillips:<sup>4 5</sup></b>									
1975.....	4.9	4.8	5.5	4,529	3,579	950	254	174	80
1974.....	4.9	5.2	4.0	4,234	3,126	1,108	233	162	71

1973.....	5.1	9.0	2,270	1,861	409	152	96	56
1970.....	6.6	3.1	1,772	1,618	154	124	110	14
1967.....	8.9	9.1	1,646	1,534	112	155	141	14
Shell: <sup>3</sup>								
1975.....	6.6	.....	8,224	8,204	20	515	541	(26)
1974.....	8.6	.....	7,708	7,696	12	621	666	(45)
1973.....	7.5	.....	4,932	4,932	.....	333	370	(37)
1970.....	6.9	.....	3,621	3,621	.....	237	249	(12)
1967.....	9.0	36.7	3,088	2,059	29	285	274	11
Standard of California: <sup>3</sup>								
1975.....	4.6	5.2	<sup>6</sup> 16,821	6,472	10,349	773	240	533
1974.....	5.6	5.0	<sup>6</sup> 17,191	5,478	11,713	970	327	643
1973.....	10.9	15.6	<sup>6</sup> 7,762	3,538	4,224	844	184	660
1970.....	10.4	15.3	<sup>6</sup> 4,386	2,679	1,707	455	194	261
1967.....	11.8	20.3	<sup>6</sup> 3,467	2,391	1,076	409	191	218
Standard of Indiana: <sup>4</sup>								
1975.....	7.6	10.4	9,951	7,909	2,042	761	549	212
1974 <sup>12</sup> .....	9.7	12.4	9,063	7,097	1,966	873	638	235
1973.....	8.2	8.3	5,697	4,663	1,033	466	381	86
1970.....	7.6	11.2	4,216	3,666	550	320	258	62
1967.....	7.8	1.2	3,376	3,083	293	264	261	3
Standard of Ohio: <sup>4</sup>								
1975.....	2.3	3.5	2,089	2,004	85	49	46	3
1974.....	3.9	10.7	1,840	1,754	86	72	63	9
1973.....	4.3	16.9	1,225	1,181	44	52	45	7
1970.....	5.9	10.7	1,071	1,046	25	63	60	3
1967.....	11.8	14.6	533	492	41	63	57	6

See footnotes at end of table.

TABLE 7.—RATES OF PROFITABILITY OF SALES FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970, AND 1967—Continued

Company	Rate of profitability of sales			Sales			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Sun Co.: <sup>4 7</sup>									
1975.....	4.9	6.6	Loss	4,377	3,627	750	216	240	(24)
1974.....	9.9	8.8	16.3	3,771	3,192	579	375	280	95
1973.....	10.2	7.7	23.9	2,201	1,860	341	225	144	81
1970.....	8.2	8.9	2.4	1,686	1,503	183	138	134	4
1967 <sup>9</sup> .....									
Texaco: <sup>3 8</sup>									
1975.....	3.4	4.9	2.5	24,331	9,209	15,122	831	449	382
1974.....	6.7	5.7	7.2	23,056	7,612	15,444	1,545	432	1,113
1973.....	11.1	10.1	11.6	11,248	4,304	6,944	1,243	434	809
1970.....	12.2	14.1	10.3	6,239	3,092	3,147	760	436	324
1967.....	13.7	17.9	9.3	5,164	2,651	2,513	709	475	234
10-company summary <sup>13</sup>									
1975.....	4.7	6.2	3.6	151,966	66,360	85,606	7,217	4,130	3,087
1974.....	6.4	7.2	5.8	146,038	60,110	85,928	9,332	4,356	4,976
1973.....	8.7	7.8	9.5	83,403	38,153	45,249	7,264	2,985	4,280
1970.....	8.0	8.9	7.0	54,774	29,621	25,153	4,397	2,634	1,763
1967 <sup>10</sup> .....	9.1	10.5	7.4 <sup>10</sup>	37,338	20,106	17,232	3,967	2,525	1,442



<sup>1</sup> U.S. net income and sales data are for petroleum and natural gas operations only.

<sup>2</sup> Foreign net income and sales data are for petroleum and natural gas operations only for 1973, 1974, and 1975 and for all Exxon foreign operations for 1970 and 1967.

<sup>3</sup> Net income and sales figures are total corporate figures.

<sup>4</sup> Net income and sales figures are for petroleum operations only.

<sup>5</sup> Net income used for calculation of profitability rate excludes the company's portion of the earnings of companies accounted for by the equity method since the sales of such companies are not included in the company's financial statements.

<sup>6</sup> Company and majority-owned subsidiaries only.

<sup>7</sup> Foreign data includes Puerto Rico prior to 1974.

<sup>8</sup> Sales revenue excludes gross income from services; equity in net income of nonsubsidiary companies; dividends interest, and other net income, whereas net income is applicable to all sources.

<sup>9</sup> No data was provided by Sun Oil for years prior to 1968.

<sup>10</sup> Since U.S. and foreign breakdowns of Gulf's sales data are not available prior to 1968, Gulf has not been included in the 10-company total sales column for 1967, in order that the total U.S. and foreign rates of profitability of sales will be comparable.

<sup>11</sup> Revised 1974 income and sales figures to accord with FASB 1975 new accounting standards.

<sup>12</sup> Revised 1974 income figures to accord with FASB 1975 new accounting standards.

<sup>13</sup> Rates of profitability of sales are weighted averages based on 10-company totals.

NA—Not available.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes, other than excise taxes, and of total investment, including borrowed capital. <sup>4</sup> of the companies reported this information for petroleum operations only, while <sup>6</sup> reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

In addition, in determining the rates of profitability of employed capital, the companies based their rates on adjusted net income to include the interest on borrowed capital. Since the adjusted net income figures used for these calculations are not given, it was not possible to determine the rates to profitability of employed capital for the 10-company total.

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated: "What is the rate of profitability to sales? To taxes, other than excise taxes? to total investment, including borrowed capital?"

TABLE 8.—RATES OF PROFITABILITY OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970, AND 1967

	Rate of profitability of employed capital <sup>2</sup>			Employed capital <sup>1</sup>			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
<b>Exxon:</b> <sup>3 4</sup>									
1975.....	16.0	18.1	14.6	16,142.0	6,192.0	9,950.0	2,308.0	1,107.0	1,201.0
1974 <sup>17 18</sup> .....	18.6	20.5	17.6	14,732.0	5,044.0	9,688.0	2,531.0	1,021.0	1,510.0
1973.....	18.4	17.2	19.1	13,779.0	4,877.0	8,902.0	2,300.0	830.0	1,470.0
1970.....	11.1	12.5	10.3	12,765.0	4,754.0	8,011.0	1,267.0	587.0	680.0
1967.....	11.7	13.1	10.9	10,285.0	3,861.0	6,424.0	1,119.0	504.0	615.0
<b>Gulf:</b> <sup>5</sup>									
1975.....	9.6	10.7	8.1	8,687.0	4,671.0	4,016.0	700.0	478.0	222.0
1974.....	14.6	9.8	20.2	8,439.0	4,871.0	3,568.0	1,065.0	401.0	664.0
1973.....	11.7	6.3	17.5	7,670.0	3,885.0	3,785.0	800.0	226.0	574.0
1970.....	8.7	9.8	7.4	7,397.0	3,991.0	3,406.0	550.0	359.0	191.0
1967.....	11.4	( <sup>10</sup> )	( <sup>10</sup> )	5,452.0	3,306.0	2,146.0	578.0	412.0	166.0
<b>Mobil:</b> <sup>6</sup>									
1975.....	10.8	7.4	14.9	<sup>11</sup> 8,420.5	4,567.6	3,852.9	809.9	305.8	504.1
1974.....	14.7	9.3	21.6	<sup>11</sup> 7,484.0	4,168.0	3,316.0	47.0	366.0	681.0
1973.....	13.8	8.8	19.3	10,690.0	4,894.0	5,797.0	849.0	275.0	574.0
1970.....	9.8	9.0	10.8	7,921.0	4,105.0	3,816.0	483.0	247.0	236.0
1967.....	9.4	8.8	10.4	6,224.0	3,346.0	2,878.0	385.0	210.0	175.0

<b>Phillips: <sup>6,7</sup></b>										
1975.....	11.8	11.8	2,266.0	1,506.0	760.0	254.0	174.0	80.0		
1974.....	2.6	12.8	1,977.0	1,317.0	660.0	233.0	162.0	71.0		
1973.....	9.4	8.6	1,860.0	1,295.0	565.0	152.0	96.0	56.0		
1970.....	8.1	9.0	1,791.0	1,412.0	379.0	124.0	110.0	14.0		
1967.....	10.4	11.1	1,668.0	1,404.0	265.0	155.0	141.0	14.0		
<b>Shell: <sup>5</sup></b>										
1975.....	12.2	13.0	<sup>8</sup> 4,536.0	4,441.0	95.0	515.0	541.0	(26.0)		
1974.....	16.0	17.3	<sup>8</sup> 4,096.0	4,055.0	41.0	621.0	666.0	(45.0)		
1973.....	9.2	10.2	<sup>8</sup> 3,951.0	3,946.0	4.0	333.0	370.0	(37.0)		
1970.....	7.7	8.0	<sup>8</sup> 3,379.0	3,378.0	1.0	237.0	249.0	(12.0)		
1967.....	12.3	11.8	<sup>8</sup> 2,451.0	2,450.0	1.0	285.0	274.0	11.0		
<b>Standard of California: <sup>5</sup></b>										
1975.....	10.9	6.0	<sup>9</sup> 7,832.0	4,666.0	3,166.0	773.0	240.0	533.0		
1974.....	14.0	8.0	<sup>9</sup> 7,067.0	4,254.0	2,813.0	970.0	327.0	643.0		
1973.....	13.5	5.2	<sup>9</sup> 6,870.0	4,126.0	2,744.0	844.0	184.0	660.0		
1970.....	9.2	5.8	<sup>9</sup> 5,392.0	3,570.0	1,822.0	455.0	194.0	261.0		
1967.....	9.9	6.5	<sup>9</sup> 4,530.0	3,267.0	1,263.0	409.0	191.0	218.0		
<b>Standard of Indiana: <sup>6</sup></b>										
1975.....	12.0	11.8	6,829.0	4,988.0	1,841.0	761.0	549.0	212.0		
1974.....	14.9	14.8	6,163.0	4,498.0	1,665.0	873.0	638.0	235.0		
1973.....	10.1	11.8	4,967.0	3,401.0	1,566.0	466.0	381.0	86.0		
1970.....	8.4	9.0	4,056.0	3,049.0	1,007.0	320.0	258.0	62.0		
1967.....	8.4	10.4	3,296.0	2,615.0	682.0	264.0	261.0	3.0		
<b>Standard Oil of Ohio: <sup>6</sup></b>										
1975.....	1.8	1.7	<sup>11</sup> 2,726.0	2,726.0	( <sup>16</sup> )	49.0	46.0	3.0		
1974.....	4.3	4.3	<sup>11</sup> 1,715.0	1,715.0	( <sup>16</sup> )	72.0	63.0	9.0		
1973.....	5.1	5.1	<sup>11</sup> 1,419.0	1,419.0	( <sup>16</sup> )	52.0	45.0	7.0		
1970.....	5.7	5.5	<sup>11</sup> 1,188.0	1,177.0	11.0	63.0	60.0	3.0		
1967.....	14.5	13.6	<sup>11</sup> 466.0	443.0	23.0	63.0	57.0	6.0		

See footnotes at end of table.



TABLE 8.—RATES OF PROFITABILITY OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970, AND 1967—Continued

	Rate of profitability of of employed capital <sup>2</sup>			Employed capital <sup>1</sup>			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Sun Co.: <sup>6 13</sup>									
1975.....	7.3	9.6	( <sup>21</sup> )	<sup>12</sup> 3,314	2,673.0	641.0	216.0	240.0	(24.0)
1974.....	12.9	12.2	15.6	<sup>12</sup> 3,089.0	2,440.0	649.0	375.0	280.0	95.0
1973.....	9.1	8.1	11.8	<sup>12</sup> 2,735.0	2,023.0	712.0	225.0	144.0	81.0
1970.....	6.7	8.4	1.6	<sup>12</sup> 2,299.0	1,721.0	578.0	138.0	134.0	4.0
1967 <sup>15</sup>									
Texaco: <sup>5</sup>									
1975.....	8.4	8.1	8.7	<sup>11</sup> 10,774.0	5,893.0	4,881.0	831.0	449.0	382.0
1974.....	16.1	8.7	24.2	<sup>11</sup> 9,952.0	5,214.0	4,738.0	1,545.0	432.0	1,113.0
1973.....	14.2	9.7	18.7	<sup>11</sup> 8,771.0	4,456.0	4,315.0	1,243.0	434.0	809.0
1970.....	11.1	11.0	11.2	<sup>11</sup> 6,850.0	3,961.0	2,889.0	760.0	436.0	324.0
1967.....	12.6	14.4	10.1	<sup>11</sup> 5,617.0	3,287.0	2,330.0	709.0	475.0	234.0
10-company sum- mary: <sup>10</sup>									
1975.....	10.1	9.8	12.7	71,527.0	42,324.0	29,203.0	7,217.0	4,130.0	3,087.0
1974.....	13.9	11.8	18.9	64,714.0	37,576.0	27,138.0	9,332.0	4,356.0	4,976.0
1973.....	11.5	9.1	16.3	62,712.0	34,322.0	28,390.0	7,264.0	2,985.0	4,280.0
1970.....	8.7	8.8	8.2	53,038.0	31,118.0	21,920.0	4,397.0	2,634.0	1,763.0
1967.....	11.2	11.2	9.4	39,989.0	23,979.0	16,010.0	3,967.0	2,525.0	1,442.0

<sup>1</sup> Employed capital is the sum of stockholder's equity and long-term debt.

<sup>2</sup> Rate of profitability or return on capital employed is based on adjusted income as a percentage of employed capital. Adjusted income is the sum of net income and interest on long-term debt, less an amount equal to what would have been the additional tax if such interest were not deductible.

<sup>3</sup> U.S. net income and capital employed data are for petroleum and natural gas operations only.

<sup>4</sup> Foreign net income and capital employed data are for petroleum and natural gas operations only for 1973, 1974, and 1975, and for all Exxon foreign operations for 1970 and 1967.

<sup>5</sup> Net income and employed capital figures are total corporate figures.

<sup>6</sup> Net income and employed capital figures are for petroleum operations only.

<sup>7</sup> Net income used for this calculation excludes the company's portion of the earnings of companies accounted for by the equity method since the sales of such companies are not included in the company's financial statements.

<sup>8</sup> Employed capital shown is beginning of the year balance of shareholders' investment and long-term debt.

<sup>9</sup> Company and majority-owned subsidiaries only.

<sup>10</sup> Not available.

<sup>11</sup> Average borrowed and invested capital.

<sup>12</sup> Defined as total assets less current liabilities.

<sup>13</sup> Foreign data includes Puerto Rico prior to 1974.

<sup>14</sup> Net loss.

<sup>15</sup> No data was provided by Sun Oil for years prior to 1968.

<sup>16</sup> Subsequent to the sale of all Canadian assets in 1972, the capital employed consists of an insignificant amount related to Standard Oil's five-twelfths of 1 percent interest in the Iranian oil consortium.

<sup>17</sup> Revised 1974 income figures to accord with FASB 1975 new accounting standards.

<sup>18</sup> Revised 1974 income and employed capital figures to accord with FASB 1975 new accounting standards.

<sup>19</sup> Rate of profitability of employed capital for the 10 companies is a mathematical average of individual company's rates.

<sup>20</sup> Foreign operations are, or were, insignificant, i.e., less than 5 percent of net assets.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes, other than excise taxes, and of total investment, including borrowed capital. <sup>4</sup> of the companies reported this information for petroleum operations only, while <sup>6</sup> reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

In addition, in determining the rates of profitability of employed capital, the companies based their rates on adjusted net income to include the interest on borrowed capital. Since the adjusted net income figures used for these calculations are not given, it was not possible to determine the rates of profitability of employed capital for the 10-company total.

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated "What is the rate of profitability to sales? To taxes, other than excise taxes? To total investment, including borrowed capital?"

TABLE 9.—EFFECTIVE TAX RATES FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970, AND 1967  
EFFECTIVE TAX RATES  
[Based on taxes (other than excise) paid to Federal, State, local, and foreign governments]

Company	Effective tax rate <sup>1</sup>			Taxes			Net increase		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
<b>Exxon:</b> <sup>2 3</sup>									
1975.....	81.0	50.1	90.2	12,121	1,113	11,008	2,308	1,107	1,201
1974 <sup>12</sup> .....	82.4	44.5	88.0	11,863	817	11,046	2,531	1,021	1,510
1973.....	78.1	42.3	83.7	8,180	608	7,572	2,300	830	1,470
1970.....	77.8	43.7	85.4	4,447	460	3,987	1,267	587	680
1967.....	76.5	39.3	84.4	3,642	326	3,316	1,119	504	615
<b>Gulf:</b> <sup>4</sup>									
1975.....	79.1	46.7	91.0	2,656	418	2,238	700	478	222
1974.....	75.2	40.5	81.7	3,229	273	2,956	1,065	401	664
1973.....	67.2	41.0	72.1	1,641	157	1,484	800	226	574
1970.....	55.5	31.6	73.2	687	166	521	550	359	191
1967.....	47.5	29.6	67.9	524	173	351	578	412	166
<b>Mobil:</b> <sup>4</sup>									
1975.....	76.4	40.7	82.7	2,624.8	210.2	2,414.6	809.9	305.8	504.1
1974.....	73.9	42.6	79.8	2,961	272	2,689	1,047	366	681
1973.....	62.4	41.5	67.9	1,409	195	1,214	849	275	574
1970.....	57.1	44.1	65.5	639	195	444	483	247	236
1967.....	49.6	39.7	57.8	379	138	240	385	210	175



Phillips: <sup>5</sup>	51.4	82.0	421	181	240	254	174	80
1975.....	65.2	51.4	82.0	421	181	240	254	174
1974.....	60.8	46.9	324	142	182	233	162	71
1973.....	44.5	50.0	122	97	24	152	96	56
1970.....	46.8	50.5	109	112	(3)	124	110	14
1967.....	41.9	45.1	112	116	(3)	155	141	14
Shell: <sup>4</sup>								
1975.....	57.8	58.1	706	750	(44)	515	541	(26)
1974.....	43.6	44.1	480	525	(45)	621	666	(45)
1973.....	43.6	44.0	257	291	(34)	333	370	(37)
1970.....	46.0	46.1	202	213	(12)	237	249	(12)
1967.....	36.1	35.8	112	116	(3)	285	274	11
Standard of California: <sup>4</sup>								
1975.....	68.2	61.2	1,655	378	1,277	773	240	533
1974.....	61.7	44.1	1,573	258	1,315	970	327	643
1973.....	59.2	49.2	1,221	178	1,048	844	184	660
1970.....	60.5	44.6	7696	156	540	455	194	261
1967.....	48.4	36.5	7383	110	273	409	191	218
Standard of Indiana: <sup>5</sup>								
1975.....	69.3	61.6	1,714	880	834	761	549	212
1974 <sup>13</sup> .....	54.3	46.5	1,038	554	484	881	638	243
1973.....	46.6	41.6	408	272	136	466	381	86
1970.....	41.1	48.1	243	240	3	320	258	62
1967.....	40.9	40.6	183	178	5	264	261	3
Standard of Ohio: <sup>5</sup>								
1975.....	47.9	27.0	45	176	28	49	46	3
1974.....	47.4	29.2	51	26	25	72	63	9
1973.....	50.1	48.5	52	42	10	52	45	7
1970.....	29.2	26.6	26	22	4	63	60	3
1967.....	43.8	43.0	49	43	6	63	57	

See footnotes at end of table.

TABLE 9.—RATES FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970, AND 1967  
EFFECTIVE TAX RATES—Continued

Company	Effective tax rate <sup>1</sup>			Taxes			Net increase		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Sun Co.: <sup>5 9</sup>									
1975.....	73.1	63.4	.....	727	416	311	216	240	(24)
1974.....	62.3	48.4	79.1	620	263	357	375	280	95
1973.....	54.1	50.5	59.2	265	146	119	225	144	81
1970.....	57.0	48.3	93.0	183	125	58	138	134	4
1967 <sup>11</sup> .....	NA	NA	NA	.....	.....	.....	.....	.....	.....
Texaco: <sup>4</sup>									
1975.....	92.0	61.0	95.9	<sup>8</sup> 9,536	<sup>8</sup> 701	<sup>8</sup> 8,835	831	449	382
1974.....	85.9	49.5	89.0	<sup>8</sup> 9,395	<sup>8</sup> 423	<sup>8</sup> 8,972	1,545	432	1,113
1973.....	75.0	38.2	81.1	3,736	269	3,467	1,243	434	809
1970.....	68.5	37.9	81.1	1,654	266	1,388	760	436	324
1967.....	63.2	26.1	81.8	1,220	167	1,053	709	475	234
10-company summary: <sup>10</sup>									
1975.....	81.7	55.1	89.8	32,206	5,064	27,142	7,217	4,130	3,087
1974.....	77.2	44.9	84.9	31,548	3,553	27,995	9,332	4,356	4,976
1973.....	70.4	43.0	77.8	17,286	2,255	15,030	7,264	2,985	4,280
1970.....	66.9	42.6	79.7	8,882	1,955	6,926	4,397	2,634	1,763
1967.....	62.6	35.7	78.4	6,647	1,404	5,243	3,967	2,525	1,442



<sup>1</sup> The effective tax rate for purposes of this table is the ratio of taxes to the sum of net income and taxes (other than excises) paid to Federal, State, local, and foreign governments.

<sup>2</sup> U.S. net income and taxes data are for petroleum and natural gas operations only.

<sup>3</sup> Foreign net income and taxes data are for petroleum and natural gas operations only for 1973, 1974, and 1975 and for all Exxon foreign operations for 1970 and 1967.

<sup>4</sup> Net income and taxes figures are total corporate figures.

<sup>5</sup> Net income and taxes figures are for petroleum operations only.

<sup>6</sup> U.S. taxes exclude that portion of U.S. taxes incurred in foreign operations for the years 1970 and 1973. These amounts are shown as foreign taxes.

<sup>7</sup> Company and majority-owned subsidiaries only.

<sup>8</sup> Includes interests in nonsubsidiary companies.

<sup>9</sup> Foreign data includes Puerto Rico prior to 1974.

<sup>10</sup> Rates of profitability of taxes are weighted averages based on 10-company totals.

<sup>11</sup> No data was provided by Sun Oil for years prior to 1968.

<sup>12</sup> Revised 1974 income and taxes figures to accord with FASB 1975 new accounting standards.

<sup>13</sup> Revised 1974 income and taxes figures to accord with FASB 1975 new accounting standards.

NA—Not available.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes other than excise taxes, and of total investment, including borrowed capital. 4 of the companies reported this information for petroleum operations only while 6 reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

In addition, in determining the rates of profitability of employed capital, the companies based their rates on adjusted net income to include the interest on borrowed capital. Since the adjusted net income figures used for these calculations are not given, it was not possible to determine the rates of profitability of employed capital for the 10-company total.

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated "What is the rate of profitability to sales? To taxes, other than excise taxes? To total investment, including borrowed capital?"



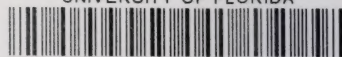


TABLE 10.—ANNUAL RATES OF RETURN ON STOCKHOLDERS' EQUITY FOR ALL MANUFACTURING, DURABLE MANUFACTURING, AND NONDURABLE MANUFACTURING COMPARED TO PETROLEUM

	First Quarter 1976	1975	1974	1973	1972	1971	1970	1969	1968	1967
All manufacturing corporations...	13.3	11.6	14.9	12.8	10.6	9.7	9.3	11.5	12.1	11.7
Durable manufacturing corporations...	12.3	10.2	12.6	13.1	10.7	9.1	8.4	11.4	12.2	11.7
Nondurable manufacturing corporations <sup>1</sup>	14.3	12.9	17.2	12.6	10.5	10.3	10.3	11.5	11.9	11.7
Petroleum and coal products <sup>2</sup>	14.7	12.5	21.0	11.6	8.7	10.3	11.0	11.7	12.2	12.5
10-company data:										
Total	14.4	12.7	18.6	15.8	11.1	11.6	11.6	11.7	12.8	12.5
United States	17.0	12.9	15.2	11.6	10.8	10.8	11.0	11.6	13.1	12.9
Foreign	11.3	12.6	23.0	21.1	11.7	12.7	11.8	11.7	12.2	11.8

<sup>1</sup> Petroleum and coal products are included in the nondurable manufacturing classification. Other industries classified as nondurable manufacturing by the Federal Trade Commission are (a) food and kindred products; (b) tobacco manufactures; (c) textile mill products; (d) paper and allied products; (e) printing and publishing; (f) chemicals and allied products; and (g) rubber and miscellaneous plastics products.

<sup>2</sup> The quarterly financial report classification prior to 1974 was "Petroleum Refining and Related Industries." In addition to this

change, an important change was made in 1974 to the reporting of foreign subsidiary income on a nonconsolidated basis.

Source: 10-company data is derived from table 1 of this analysis, i.e., based on actual company figures, not sampling. The remaining figures are derived from table 4 of the Quarterly Financial Report for Manufacturing, Mining and Trade Corporations published by the Federal Trade Commission. The annual rates of return are arithmetical averages of returns for 4 quarters of the respective years.